

ISHARES U.S. PREFERRED AND INCOME SECURITIES ETF

iShares
by BlackRock

PFF

iShares Preferred and Income Securities ETF

PFF Highlights

- Preferred stocks and hybrids have characteristics of bonds (pays a fixed dividend) and stocks (represents ownership in a company)
- PFF seeks to track the broadest index of exchange listed preferred and hybrid securities.¹
- PFF is the largest and most liquid preferred and hybrid securities ETF.²
- PFF offers value with a management fee less than half of its Morningstar category average³

Key ETF Facts

Expense Ratio	0.46%
Inception Date	3/26/2007
Index	ICE Exchange-Listed Preferred & Hybrid Securities Index
Holdings	449
AUM	\$13.7 bn
30 Day SEC Yield	6.76%
ADV (20 Day in \$)	\$165 mm
Effective Duration	5.9

Key ETF Facts: BlackRock, Markit, ICE as of 12/31/2023.

Benefits of Preferreds & Hybrids

Income Potential

Preferreds & hybrids can offer attractive yields relative to many asset classes. (See Figure 1)

Portfolio Diversification

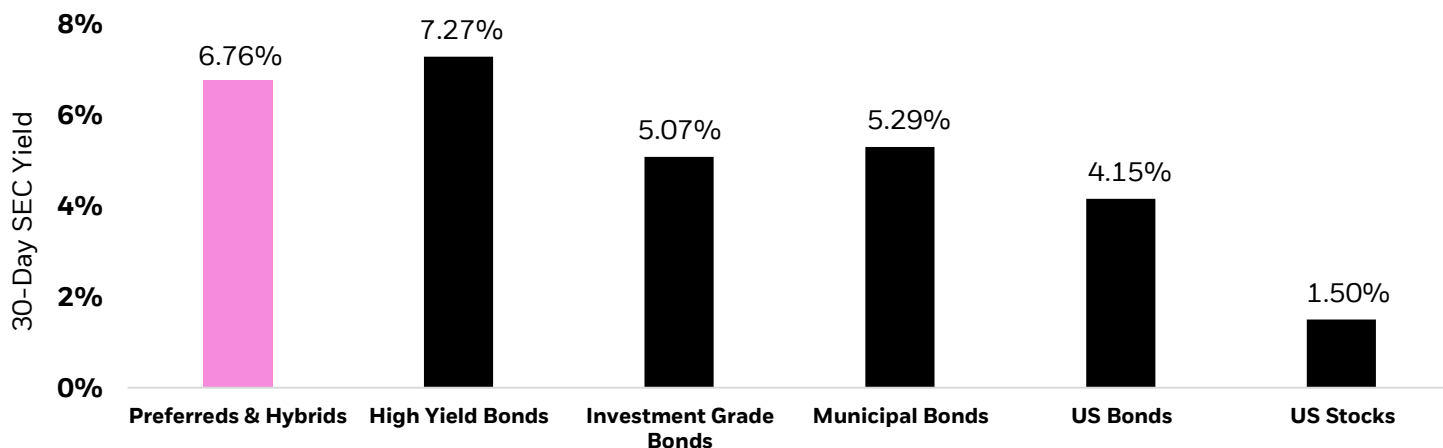
Preferreds & hybrids have historically been less correlated with traditional equity and fixed income asset classes. (See Figure 2)

Potential Tax Advantage

Many preferreds are eligible for QDI which receives preferable tax treatment relative to taxable bonds. (See Figure 3)

Preferreds & Hybrids Can Offer Attractive Income

Figure 1



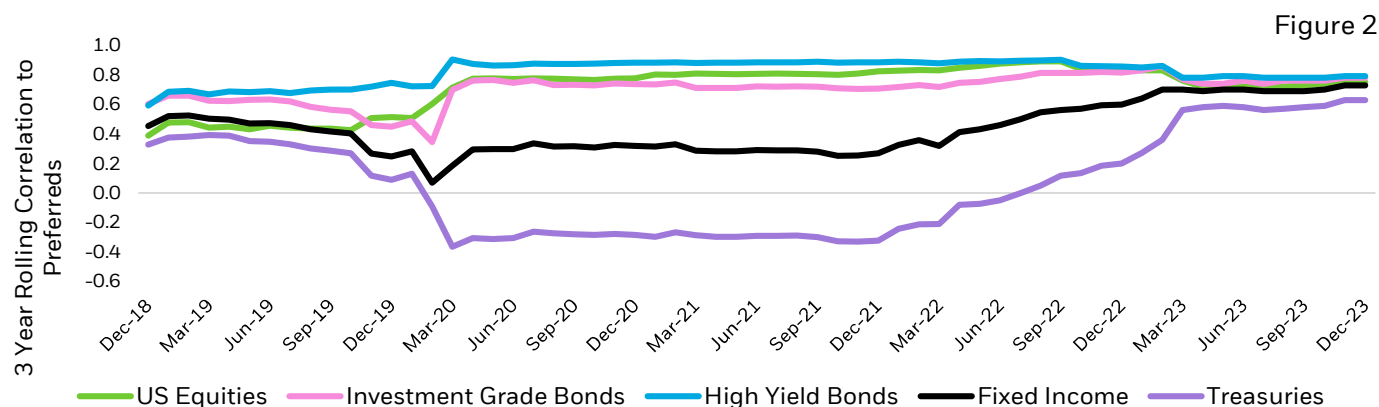
30-Day SEC Yields: BlackRock as of 12/31/2023. Past performance does not guarantee future results. For standardized performance, see the end of this brochure.

Preferreds and Hybrids represented by iShares Preferred and Income Securities ETF; High Yield Bonds represented by iShares iBoxx \$ High Yield Corporate Bond ETF; Investment Grade Bonds represented by iShares iBoxx \$ Investment Grade Corporate Bond ETF; Municipal Bonds represented by iShares National Muni Bond ETF; US Bonds represented by iShares Core US Aggregate Bond ETF; US Stocks represented by iShares Core S&P 500 ETF. The 30-Day SEC Yield for the iShares National Muni Bond ETF is the Tax Equivalent 30-Day SEC Yield. The 30-Day SEC Yield is 3.13% as of 12/31/2023.

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Preferreds & Hybrids Diversify Portfolios

Preferreds & hybrid securities can offer diversification benefits with lower correlations relative to many asset classes.



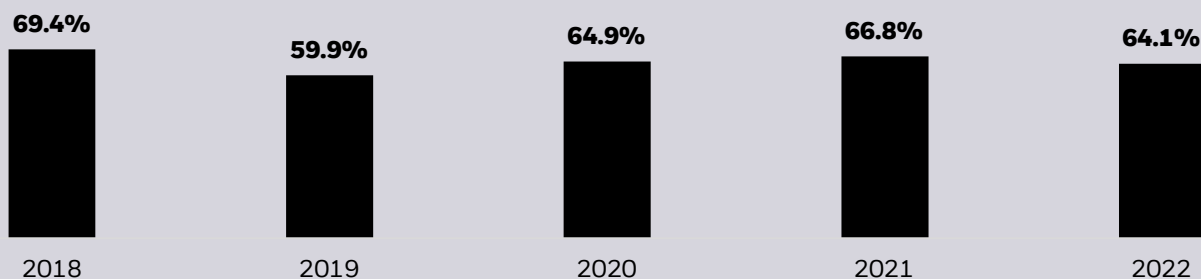
3 Year Rolling Correlations: 12/31/2018 to 12/31/2023. US Equities represented by iShares Core S&P 500 ETF; Investment Grade Bonds represented by iShares iBoxx \$ Investment Grade Corporate Bond ETF; High Yield Bonds represented by iShares iBoxx \$ High Yield Corporate Bond ETF; Fixed Income represented by iShares Core US Aggregate Bond ETF; Treasuries represented by iShares US Treasury Bond ETF; Preferred & hybrids represented by iShares Preferred and Income Securities ETF. Diversification may not protect against market risk or loss of principal.

Preferential Tax Treatment

A majority of income from PFF is treated as qualified dividend income which is taxed at a preferential rate. This makes preferreds & hybrids compelling vehicles for income as taxable bonds are typically taxed at ordinary income rates.

Historical QDI%

Figure 3



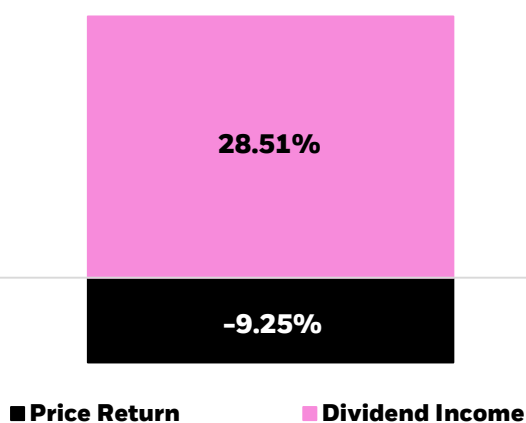
Historical QDI: BlackRock as of 12/31/2023

Historical Drivers of Return

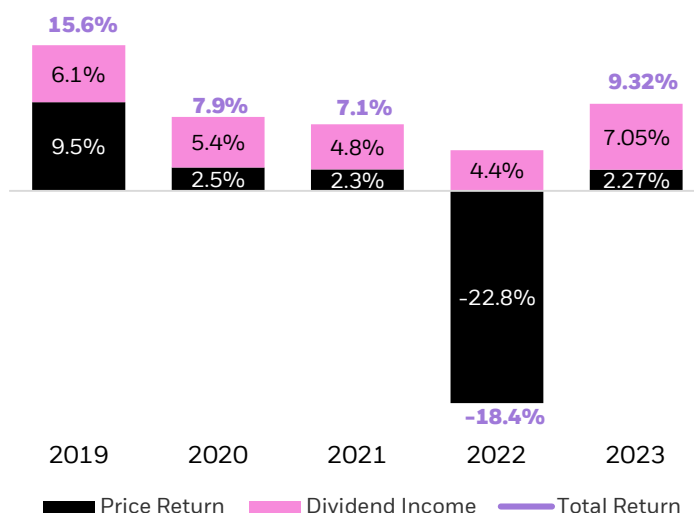
As hybrid securities, preferreds have characteristics of both equity and fixed income. Historically income has been the major contributor to PFF's performance. The market environment can cause price returns to play a large role in PFF's performance at times.

5-Yr Cumulative Total Return

Total Return: 19.26%



Breakdown of Historical Total Return



5-Yr Cumulative Total Return: Bloomberg as of 12/31/2023. Based on NAV returns. Past performance does not guarantee future results. For standardized performance, see the end of this brochure.

Breakdown of Historical Total Return: Bloomberg as of 12/31/2023. Price Return represents changes to the NAV. Dividend Income is the difference between Total Return and Price Return. Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. For most recent month-end performance see www.iShares.com. For standardized performance, see the end of this document.

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PFF Portfolio Characteristics

Sector Composition: PFF has a considerable tilt to the financial sector, as preferred stock is typically a cheaper source of capital for financial companies compared to issuing common stock.

Portfolio Composition: The majority of PFF’s preferreds & hybrids are callable and held in fixed rate coupon types

Ratings: Over half of PFF is composed of investment grade securities.

Par Amount: A majority of PFF is issued in \$25 par amounts.

Sector Composition

PFF’s Sector Composition	Weight (%)
Corporates	99.1%
Financial Institutions	74.5%
Banking	37.4%
Insurance	15.0%
REITs	14.1%
Brokerage/Asset Managers/Exchanges	5.7%
Finance Companies	1.4%
Financial Other	1.0%
Industrial	15.4%
Communications	4.9%
Consumer Cyclical	2.7%
Energy	2.4%
Consumer Non-Cyclical	2.0%
Industrial Other	1.1%
Transportation	1.0%
Technology	0.8%
Capital Goods	0.4%
Basic Industry	0.2%
Utility	9.2%
Electric	8.2%
Natural Gas	1.0%
Government Related	0.5%
Cash Securities	0.5%

Credit Quality

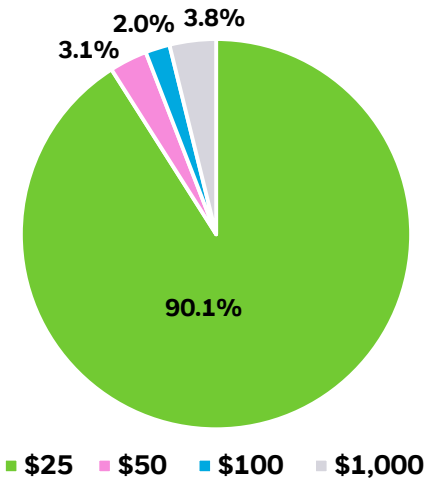
Investment Grade	56.8%
Non-Investment Grade	26.1%

Ratings Breakdown	Weight (%)
AA	0.3%
A	2.9%
BBB	53.6%
BB	23.2%
B	2.5%
CCC	0.4%
Not Rated	16.6%
Cash and Derivatives	0.5%

Portfolio Composition

PFF’s Portfolio Composition	Weight (%)
Call Protection	
Callable	90.8%
Non-Callable	8.8%
Coupon	
Fixed	70.1%
Fixed-to-Floating	26.1%
Floating	3.4%
Tax Eligibility	
QDI	53.5%
DRD	48.9%
Structure Breakdown	
Preferreds	72.4%
Perpetual Non-Cumulative Preferred	40.4%
Perpetual Cumulative Preferred	23.0%
Convertible Preferred	8.3%
Non-Perpetual Cumulative Preferred	0.7%
Hybrid Securities	23.6%
Jr. Subordinated	10.8%
Sr. Unsecured	8.0%
Subordinated	4.0%
Sr. Secured	0.8%
Not Classified	3.5%

PFF Holdings: Par Amount at Issuance



Sector Composition: BlackRock as of 12/31/2023

Portfolio Composition: Bloomberg as of 12/31/2023. Different Types of Preferreds: *Convertible* can be converted to common stock. *Non-Perpetual Cumulative* have a maturity date and missed payments are required to be made up. *Perpetual Non-Cumulative* have no maturity and missed payments are not required to be made up. *Perpetual Cumulative* have no maturity and missed payments are required to be made up. *Sr. Secured* are backed with collateral and have the highest priority of claims in the event of default. *Sr Unsecured* are not backed with specific collateral. *Subordinated* securities are paid out after senior securities in the event of default. *Jr. Subordinate* are created when a company establishes a trust that then issues preferred securities and uses the proceeds to purchase junior subordinated debentures from that company.

Credit Quality: BlackRock as of 12/31/2023. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

Par Amount: Bloomberg as of 12/31/2023

Fourth Quarter 2023 Recap

- After seeing record outflows of -\$4.9 bn in 2022, the U.S. preferred ETF market as a whole saw inflows of \$563 mm across 18 funds in 2023, which were heavily concentrated in Q4. Specifically, PFF experienced the highest amount of annual inflows at \$462 mm, and remains the largest preferred ETF with an AUM of \$13.7 bn.⁴
- Over the course of Q4 2023, PFF had a total return of 5.5% compared to 11.7% for US Equities, 9.9% for US Investment Grade Corporate Bonds and 7.2% for US High-Yield Bonds. Markets across asset classes extended gains as a soft landing thanks to cooling inflation dominated investor sentiment, including increasing the possibility of Fed rate cuts in 2024.
- As interest rates continued rising in 2023 and it has become more expensive to raise capital, issuance persisted to be modest and even declined relative to 2022. In 2023, there was only \$14 bn in new issuance across both \$25 par and \$1,000 par issues compared to \$17 bn in 2022. Both years were considerably lower relative to 2021, when issuance reached \$32 bn as cheaper, more opportunistic funding was available.⁵
- PFF trailed its benchmark index, the ICE Exchange-Listed Preferred & Hybrid Securities Index in Q4 2023 by 14 bps net of fees as PFF returned 5.50% on a NAV basis compared to 5.64% for the index. Most of PFF's tracking difference can be attributed to its expense ratio and securities sampling to a lesser extent.⁶

Fees as of Current Prospectus. All Other Data as of 12/31/23

Fund Name	Fund Inception Date	Net/Gross Expense Ratio	30-Day SEC Yield (With / Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1-Year Returns		5-Year Returns		10-Year Returns		Since Inception	
					NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares Preferred and Income Securities ETF	March 26, 2007	0.46%	6.76%	--	9.32%	9.19%	3.59%	3.67%	3.99%	4.06%	3.55%	3.56%
iShares iBoxx \$ High Yield Corporate Bond ETF	April 4, 2007	0.49%	7.27%	--	12.41%	11.53%	4.29%	4.19%	3.49%	3.42%	4.75%	4.69%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	July 22, 2002	0.14%	5.07%	--	9.27%	9.40%	2.80%	2.79%	3.03%	2.98%	4.54%	4.53%
iShares National Muni Bond ETF	September 7, 2007	0.05%	3.13%	June 30, 2026	5.86%	5.56%	2.21%	2.15%	2.79%	2.82%	3.27%	3.26%
iShares Core U.S. Aggregate Bond ETF	September 22, 2003	0.03%	4.15%	June 30, 2026	5.58%	5.65%	1.05%	1.03%	1.77%	1.75%	3.08%	3.08%
iShares Core S&P 500 ETF	May 15, 2000	0.03%	1.50%	--	26.27%	26.32%	15.65%	15.65%	11.99%	12.00%	7.12%	7.12%

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.iShares.com or www.blackrock.com. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you traded shares at other times.

- 1: Morningstar as of 12/31/2023. PFF has the largest number of holdings compared to all ETFs in the U.S. Preferred Stock Morningstar category.
- 2: Morningstar, NYSE Arca as of 12/31/2023. PFF has the highest net assets and lowest trading spread compared to all ETFs in the U.S. Preferred Stock Morningstar category.
- 3: Morningstar as of 12/31/2023. PFF's management fee is less than half of the U.S. Preferred Stock Morningstar Category's average (including both ETFs & MFs).
- 4: Markit as of 12/31/2023. Flows are subject to change.
- 5: BofA Global Research as of 12/31/2023 .
- 6: BlackRock as of 12/31/2023.

Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting www.iShares.com or www.blackrock.com. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

Preferred stocks are not necessarily correlated with securities markets generally. Rising interest rates may cause the value of the Fund's investments to decline significantly. Removal of stocks from the index due to maturity, redemption, call features or conversion may cause a decrease in the yield of the index and the Fund. Diversification and asset allocation may not protect against market risk or loss of principal. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

Certain sectors and markets perform exceptionally well based on current market conditions and iShares Funds can benefit from that performance. Achieving such exceptional returns involves the risk of volatility and investors should not expect that such results will be repeated.

When comparing stocks or bonds and iShares Funds, it should be remembered that management fees associated with fund investments, like iShares Funds, are not borne by investors in individual stocks or bonds.

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